



Amy G. Rabinowitz
Counsel

September 23, 2003

Mary L. Cottrell, Secretary
Dept. of Telecommunications and Energy
One South Station, 2nd Floor
Boston, MA 02110

**Re: D.T.E. Docket 99-60, Investigation by the Department of
Telecommunications and Energy on its own Motion into the Pricing and
Procurement of Default Service Pursuant to G.L. c. 164, § 1B(d).**

Dear Secretary Cottrell:

Pursuant to the Department's June 30, 2000 order in D.T.E. 99-60-B, Massachusetts Electric Company and Nantucket Electric Company (collectively, the "Companies") are submitting the results of the Companies' most recent solicitation for Default Service and proposed retail rates for the Default Service pricing options resulting from the solicitation for the service period beginning November 1, 2003. In general, the proposed Default Service rates represent a decrease from the respective Default Service rates currently in effect. I am also enclosing a motion for confidential treatment of the Company's analysis of the default service bids, and am providing the confidential analysis itself to Hearing Officer Jeanne Voveris.

The Companies' current solicitation for Default Service and resulting proposed rates comply with several recent Department orders in D.T.E. 02-40. In compliance with the Department's February 13, 2003 order in D.T.E. 02-40-A, the Companies requested Default Service bids for each of the three Reliability Zones ("Zones"), defined by ISO New England, in which the Companies provide Default Service. As discussed below, the Companies are proposing Default Service rates that are uniform for all residential and commercial Default Service customers across all Zones, and Default Service rates that differ by Zone for all industrial customers.

Additionally, the Companies are implementing the directives in the Department's April 24, 2003 order in D.T.E. 02-40-B. In this order, the Department directed the Companies to acquire fifty percent of their residential and commercial Default Service supply for a twelve month period every six months. Accordingly, the Companies have procured 100% of their residential and commercial Default Service supply for the six month period November 2003 through April 2004 and fifty percent of their residential and commercial Default Service supply for the following six month period May 2004 through October 2004. The residential and

25 Research Drive
Westborough, MA 01582-0099
508.389.2975 Fax: 508.389.2463
amy.rabinowitz@us.ngrid.com

commercial Default Service rates proposed by the Companies in this filing relate solely to the period November 2003 through April 2004.

In its September 11, 2003 order in D.T.E. 02-40-C, the Department required the Companies to procure industrial Default Service supply on a quarterly basis. Therefore, the Companies solicited Default Service supply for the three-month period November 2003 through January 2004, and the industrial Default Service rates proposed in this filing are for this quarterly period.

On August 14, 2003, the Companies issued a Request for Power Supply Proposal ("RFP") to supply the Companies' Default Service needs. This procurement was intended to cover the Companies' entire Default Service supply needs for the period November 2003 through April 2004, and fifty percent of the Companies' residential and commercial Default Service supply needs for the period May 2004 through October 2004. The RFP sought fixed price proposals, which could vary by calendar month, for the residential customer group, commercial customer group, and industrial customer group. Additionally, bidders were required to provide Zone-specific bids for these three customer groups for each of the three Zones in which the Companies provide Default Service.

Subsequent to the Companies issuing their RFP, the Department issued its September 11th order in D.T.E. 02-40-C requiring quarterly solicitation for industrial Default Service load. The Companies had included in their RFP that the solicitation period for their industrial Default Service requirements could change based upon an anticipated Department order on the issue. Therefore, the Companies were able to notify bidders of the new quarterly requirement and requested that suppliers submit bids to serve the industrial Default Service load for the three-month period November 2003 through January 2004. The retail Default Service prices for the periods November 2003 through April 2004 for residential and commercial Default Service and November 2003 through January 2004 for industrial Default Service resulting from the winning bids are contained in Attachment 1 to this letter.

Consistent with the Companies' Default Service prices currently in effect, the proposed Default Service rates included in this filing include an estimate of the costs associated with the Companies' compliance with the Massachusetts Renewable Portfolio Standards ("RPS") that became effective on January 1, 2003. As set forth in the confidential analysis, the Companies are procuring RPS compliant certificates for the majority of their Default Service load as part of this Default Service solicitation. Only a small portion of the Companies' Default Service procurement does not include the purchase of RPS compliance certificates. In the past, the Department has preferred to include in Default Service rates a level of RPS that was indicative of the market for RPS. Therefore, the Companies have included in their Default Service rates the value of RPS included in the winning bid for the entire Default Service load RPS obligation. The Companies believe that the RPS procurement cost for the majority of its Default Service load is a reasonable proxy for the total Default Service load covered by this solicitation.

Attachment 2 contains the Companies' calculation of the Default Service rates for the six-month fixed price option for the residential and commercial customer groups, and the three-month fixed price option for the industrial customer group. A calculation of the monthly weighted-average Default Service rate for the Variable Price Option for the residential and commercial customer groups is shown on pages 7 and 8. Because bids for these two groups were obtained by Zone, the Companies calculated a monthly weighted-average rate across the three Zones in order to arrive at one Default Service rate per month. These six monthly weighted-average Default Service rates then become the basis for the proposed rate for the Fixed Price Option. This calculation is not necessary for the industrial customer group, whose Default Service rate is unique for each Zone. Attachment 3 includes the revised tariff supplement to the Companies' Tariff for Default Service¹, containing the proposed fixed and variable Default Service rates for the periods November 2003 through April 2004 for the residential and commercial customer groups and November 2003 through January 2004 for the industrial customer group. The Companies are proposing that these rates become effective for usage on and after November 1, 2003.

Thank you very much for your time and attention to the Companies' filing.

Very truly yours,

A handwritten signature in black ink, reading "Amy G. Rabinowitz". The signature is written in a cursive, flowing style.

Amy G. Rabinowitz

cc: Service List

¹ Both Companies' Tariff for Default Service is M.D.T.E. No. 1041.

MASSACHUSETTS ELECTRIC COMPANY
NANTUCKET ELECTRIC COMPANY
Docket D.T.E. 99-60

ATTACHMENT 1

**Massachusetts Electric Company
Nantucket Electric Company**

**Default Service Prices (cents per kWh at retail)
Residential & Commercial: November 2003 - April 2004
Industrial: November 2003 - January 2004**

Customer Group	Contract Month	1	2	3	4	5	6
	Calendar Month	11	12	1	2	3	4
	Year	2003	2003	2004	2004	2004	2004
Residential							
	SEMA	5.274	5.564	6.026	5.897	5.311	4.930
	WCMA	5.410	5.750	6.251	6.083	5.411	4.972
	NEMA	5.652	6.015	6.501	6.330	5.668	5.236
	Portion of load served	100%	100%	100%	100%	100%	100%
Commercial							
	SEMA	5.280	5.582	6.093	5.969	5.341	4.933
	WCMA	5.422	5.731	6.237	6.115	5.494	5.088
	NEMA	5.637	5.916	6.561	6.411	5.820	5.379
	Portion of load served	100%	100%	100%	100%	100%	100%
Industrial							
	SEMA	5.311	5.600	6.090	n/a	n/a	n/a
	WCMA	5.312	5.606	6.084	n/a	n/a	n/a
	NEMA	5.642	5.944	6.405	n/a	n/a	n/a
	Portion of load served	100%	100%	100%	n/a	n/a	n/a

Footnotes

1) Monthly prices calculated as the average cost of supply (converted to retail delivery) in a confidential submission under separate cover.

MASSACHUSETTS ELECTRIC COMPANY
NANTUCKET ELECTRIC COMPANY
Docket D.T.E. 99-60

ATTACHMENT 2

**Massachusetts Electric Company
Nantucket Electric Company**
Summary of Proposed Default Service Charges
November 2003 - April 2004

		Zonal Default Service Charges					
		Residential (R-1, R-2, R-4, E)	Commercial (G-1)	NEMA Industrial (G-2, G-3)	SEMA Industrial (G-2, G-3)	WCMA Industrial (G-2, G-3)	Commercial (Streetlights)
		(a)	(b)	(c)	(d)	(e)	(f)
<u>Section 1: Variable Default Service Charges, €/kWh</u>							
(1)	November 2003	5.428	5.438	5.642	5.311	5.312	5.438
(2)	December 2003	5.757	5.737	5.944	5.600	5.606	5.737
(3)	January 2004	6.241	6.283	6.405	6.090	6.084	6.283
(4)	February 2004	6.085	6.152	n/a	n/a	n/a	6.152
(5)	March 2004	5.445	5.537	n/a	n/a	n/a	5.537
(6)	April 2004	5.027	5.121	n/a	n/a	n/a	5.121
<u>Section 2: Fixed Default Service Charge, €/kWh</u>							
(7)	November 2003 - April 2004	5.702	5.732				5.732
	November 2003 - January 2004			6.008	5.679	5.679	

(1)	R-1,R-2,R-4: Page 2, Line (8c), Column (a) G-1: Page 3, Line (8c), Column (a) NEMA G-2,G-3: Page 4, Line (8c), Column (a) SEMA G-2,G-3: Page 5, Line (8c), Column (a) WCMA G-2,G-3: Page 6, Line (8c), Column (a) Streetlights: Page 3, Line (8c), Column (a)	(5)	R-1,R-2,R-4: Page 2, Line (8c), Column (e) G-1: Page 3, Line (8c), Column (e) NEMA G-2,G-3: Page 4, Line (8c), Column (e) SEMA G-2,G-3: Page 5, Line (8c), Column (e) WCMA G-2,G-3: Page 6, Line (8c), Column (e) Streetlights: Page 3, Line (8c), Column (e)
(2)	R-1,R-2,R-4: Page 2, Line (8c), Column (b) G-1: Page 3, Line (8c), Column (b) NEMA G-2,G-3: Page 4, Line (8c), Column (b) SEMA G-2,G-3: Page 5, Line (8c), Column (b) WCMA G-2,G-3: Page 6, Line (8c), Column (b) Streetlights: Page 3, Line (8c), Column (b)	(6)	R-1,R-2,R-4: Page 2, Line (8c), Column (f) G-1: Page 3, Line (8c), Column (f) NEMA G-2,G-3: Page 4, Line (8c), Column (f) SEMA G-2,G-3: Page 5, Line (8c), Column (f) WCMA G-2,G-3: Page 6, Line (8c), Column (f) Streetlights: Page 3, Line (8c), Column (f)
(3)	R-1,R-2,R-4: Page 2, Line (8c), Column (c) G-1: Page 3, Line (8c), Column (c) NEMA G-2,G-3: Page 4, Line (8c), Column (c) SEMA G-2,G-3: Page 5, Line (8c), Column (c) WCMA G-2,G-3: Page 6, Line (8c), Column (c) Streetlights: Page 3, Line (8c), Column (c)	(7)	R-1,R-2,R-4: Page 2, Line (10), Column (g) G-1: Page 3, Line (10), Column (g) NEMA G-2,G-3: Page 4, Line (10), Column (g) SEMA G-2,G-3: Page 5, Line (10), Column (g) WCMA G-2,G-3: Page 6, Line (10), Column (g) Streetlights: Page 3, Line (10), Column (g)
(4)	R-1,R-2,R-4: Page 2, Line (8c), Column (d) G-1: Page 3, Line (8c), Column (d) NEMA G-2,G-3: Page 4, Line (8c), Column (d) SEMA G-2,G-3: Page 5, Line (8c), Column (d) WCMA G-2,G-3: Page 6, Line (8c), Column (d) Streetlights: Page 3, Line (8c), Column (d)		

**Massachusetts Electric Company
Nantucket Electric Company**
Residential Fixed Default Service Charge
(Rates R-1, R-2, R-4 and E)
Based on Weighted Average Effective Default Service Prices
November 2003 - April 2004

Section 1: Percentage of Residential kWhs Attributable to Default Service

(1)	August 2003 Residential Default Service kWhs	202,474,924
(2)	August 2003 Total Residential kWhs	816,052,992
(3)	Percentage of Residential Default Service kWhs to Total Residential kWhs	24.81%

Section 2: Projected Residential Default Service kWhs, November 2003 - April 2004

	2003 November (a)	December (b)	2004 January (c)	February (d)	March (e)	April (f)	Total (g)
(4)	Projected Total Company Residential kWhs	636,595,523	783,661,071	847,687,398	771,906,741	724,472,910	638,538,373 4,402,862,016
(5)	Percentage of Residential Default Service kWhs to Total Residential kWhs	<u>24.81%</u>	<u>24.81%</u>	<u>24.81%</u>	<u>24.81%</u>	<u>24.81%</u>	<u>24.81%</u>
(6)	Projected Residential Default Service kWhs	157,948,848	194,438,005	210,323,892	191,521,580	179,752,539	158,430,898 1,092,415,763

Section 3: Weighted Average Residential Default Service Charge for November 2003 - April 2004

(7)	Projected Residential Default Service kWhs	157,948,848	194,438,005	210,323,892	191,521,580	179,752,539	158,430,898	1,092,415,763
(8a)	Residential Default Service Price per kWh (including RPS Compliance)	\$0.05428	\$0.05757	\$0.06241	\$0.06085	\$0.05445	\$0.05027	
(8b)	Estimated Price per kWh of RPS Compliance	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	
(8c)	Total Estimated Residential Default Service Price per kWh	<u>\$0.05428</u>	<u>\$0.05757</u>	<u>\$0.06241</u>	<u>\$0.06085</u>	<u>\$0.05445</u>	<u>\$0.05027</u>	
(9)	Projected Residential Default Service Cost, November 2003 - April 2004	\$8,573,463	\$11,193,796	\$13,126,314	\$11,654,088	\$9,787,526	\$7,964,321	<u>\$62,299,509</u>
(10)	Weighted Average Residential Default Service Charge, Fixed Price Option, for November 2003 - April 2004							\$0.05702
(11)	Currently Effective Residential Default Service Charge							\$0.07365
(12)	Proposed Decrease to Residential Default Service Charge, Fixed Price Option							(\$0.01663)

- (1) Per August 2003 DOER Form 110, sum of Mass. Electric and Nantucket Electric (Rates R-1, R-2, R-4 and E)
(2) Per August 2003 DOER Form 110, sum of Mass. Electric and Nantucket Electric (Rates R-1, R-2, R-4 and E)
(3) Line (1) ÷ Line (2)
(4) Per Company forecast for residential rates (Rates R-1, R-2, R-4 and E)
(5) Line (3)
(6) Line (4) x Line (5)
(7) Line (6)
(8a) Page 7, Line (11)
(8b) Price for RPS compliance included in Line (8a); price for 2 blocks not supplied by supplier assumed as same price as price for 13 blocks being supplied by supplier.
(8c) Line (8a) + Line (8b)
(9) Line (7) x Line (8c)
(10) Line (9) total ÷ Line (7) total, truncated after 5 decimal places
(11) Per Company tariff
(12) Line (10) - Line (11)

**Massachusetts Electric Company
Nantucket Electric Company**
Commercial Fixed Default Service Charge
(Rates G-1 and Streetlights)
Based on Weighted Average Effective Default Service Prices
November 2003 - April 2004

Section 1: Percentage of Commercial kWhs Attributable to Default Service

(1)	August 2003 Commercial Default Service kWhs	69,037,080
(2)	August 2003 Total Commercial kWhs	194,410,112
(3)	Percentage of Commercial Default Service kWhs to Total Commercial kWhs	35.51%

Section 2: Projected Commercial Default Service kWhs, November 2003 - April 2004

	2003 November (a)	December (b)	2004 January (c)	February (d)	March (e)	April (f)	Total (g)
(4)	Projected Total Company Commercial kWhs	172,211,711	180,040,584	196,223,409	186,842,603	177,380,855	1,079,737,590
(5)	Percentage of Commercial Default Service kWhs to Total Commercial kWhs	<u>35.51%</u>	<u>35.51%</u>	<u>35.51%</u>	<u>35.51%</u>	<u>35.51%</u>	<u>35.51%</u>
(6)	Projected Commercial Default Service kWhs	61,154,194	63,934,309	69,681,001	66,349,778	62,989,811	383,426,199

Section 3: Weighted Average Commercial Default Service Charge for November 2003 - April 2004

(7)	Projected Commercial Default Service kWhs	61,154,194	63,934,309	69,681,001	66,349,778	62,989,811	59,317,106	383,426,199
(8a)	Commercial Default Service Price per kWh (including RPS Compliance)	\$0.05438	\$0.05737	\$0.06283	\$0.06152	\$0.05537	\$0.05121	
(8b)	Estimated Price per kWh of RPS Compliance	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	
(8c)	Total Estimated Commercial Default Service Price per kWh	\$0.05438	\$0.05737	\$0.06283	\$0.06152	\$0.05537	\$0.05121	
(9)	Projected Commercial Default Service Cost, November 2003 - April 2004	\$3,325,565	\$3,667,911	\$4,378,057	\$4,081,838	\$3,487,746	\$3,037,629	<u>\$21,978,747</u>
(10)	Weighted Average Commercial Default Service Charge, Fixed Price Option, for November 2003 - April 2004							\$0.05732
(11)	Currently Effective Commercial Default Service Charge							\$0.07909
(12)	Proposed Decrease to Commercial Default Service Charge, Fixed Price Option							(\$0.02177)

- (1) Per August 2003 DOER Form 110, sum of Mass. Electric and Nantucket Electric (Rates G-1 and Streetlights)
(2) Per August 2003 DOER Form 110, sum of Mass. Electric and Nantucket Electric (Rates G-1 and Streetlights)
(3) Line (1) ÷ Line (2)
(4) Per Company forecast
(5) Line (3)
(6) Line (4) x Line (5)
(7) Line (6)
(8a) Page 8, Line (11)
(8b) Price for RPS compliance included in Line (8a); price for 2 blocks not supplied by supplier assumed as same price as price for 13 blocks being supplied by supplier.
(8c) Line (8a) + Line (8b)
(9) Line (7) x Line (8c)
(10) Line (9) total ÷ Line (7) total, truncated after 5 decimal places
(11) Per Company tariff
(12) Line (10) - Line (11)

**Massachusetts Electric Company
Nantucket Electric Company**
NEMA Industrial Fixed Default Service Charge
(Rates G-2 and G-3)
Based on Weighted Average Effective Default Service Prices
November 2003 - January 2004

Section 1: Percentage of Industrial kWhs Attributable to Default Service in NEMA

(1)	August 2003 Industrial Default Service kWhs in the NEMA Zone	27,153,026
(2)	August 2003 Total Industrial kWhs	985,924,266
(3)	Percentage of NEMA Industrial Default Service kWhs to Total Industrial kWhs	2.75%

Section 2: Projected NEMA Industrial Default Service kWhs, November 2003 - January 2004

		2003		2004	
		<u>November</u>	<u>December</u>	<u>January</u>	<u>Total</u>
		(a)	(b)	(c)	(g)
(4)	Projected Total Company Industrial kWhs	938,630,739	927,642,380	1,021,944,861	2,888,217,980
(5)	Percentage of NEMA Industrial Default Service kWhs to Total Industrial kWhs	<u>2.75%</u>	<u>2.75%</u>	<u>2.75%</u>	
(6)	Projected NEMA Industrial Default Service kWhs	25,850,530	25,547,903	28,145,058	79,543,491

Section 3: Weighted Average NEMA Industrial Default Service Charge for November 2003 - January 2004

(7)	Projected NEMA Industrial Default Service kWhs	25,850,530	25,547,903	28,145,058	79,543,491
(8a)	NEMA Industrial Default Service Price per kWh (including RSP Compliance)	\$0.05642	\$0.05944	\$0.06405	
(8b)	Estimated Price per kWh of RPS Compliance	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	
(8c)	Total Estimated NEMA Industrial Default Service Price per kWh	\$0.05642	\$0.05944	\$0.06405	
(9)	Projected NEMA Industrial Default Service Cost, November 2003 - January 2004	\$1,458,487	\$1,518,567	\$1,802,691	<u>\$4,779,745</u>
(10)	Weighted Average NEMA Industrial Default Service Charge, Fixed Price Option, for November 2003 - January 2004				\$0.06008
(11)	Currently Effective NEMA Industrial Default Service Charge, Fixed Price Option				\$0.08622
(12)	Proposed Decrease to NEMA Industrial Default Service Charge, Fixed Price Option				(\$0.02614)

(1)	Per Company billing records based upon Load Zone designation for each customer account
(2)	August 2003 DOER Form 110, sum of Mass. Electric and Nantucket Electric (Rates G-2 and G-3)
(3)	Line (1) ÷ Line (2)
(4)	Per Company forecast
(5)	Line (3)
(6)	Line (4) x Line (5)
(7)	Line (6)
(8a)	Attachment 1, Industrial
(8b)	Price for RPS compliance included in Line (8a); price for 2 blocks not supplied by supplier assumed as same price as price for 13 blocks being supplied by supplier.
(8c)	Line (8a) + Line (8b)
(9)	Line (7) x Line (8c)
(10)	Line (9) total ÷ Line (7) total, truncated after 5 decimal places
(11)	Per Company tariff
(12)	Line (10) - Line (11)

**Massachusetts Electric Company
Nantucket Electric Company**
SEMA Industrial Fixed Default Service Charge
(Rates G-2 and G-3)
Based on Weighted Average Effective Default Service Prices
November 2003 - January 2004

Section 1: Percentage of Industrial kWhs Attributable to Default Service in SEMA

(1)	August 2003 Industrial Default Service kWhs in the SEMA Zone	40,772,400
(2)	August 2003 Total Industrial kWhs	985,924,266
(3)	Percentage of SEMA Industrial Default Service kWhs to Total Industrial kWhs	4.14%

Section 2: Projected SEMA Industrial Default Service kWhs, November 2003 - January 2004

		2003 <u>November</u> (a)	<u>December</u> (b)	2004 <u>January</u> (c)	<u>Total</u> (g)
(4)	Projected Total Company Industrial kWhs	938,630,739	927,642,380	1,021,944,861	2,888,217,980
(5)	Percentage of SEMA Industrial Default Service kWhs to Total Industrial kWhs	<u>4.14%</u>	<u>4.14%</u>	<u>4.14%</u>	
(6)	Projected SEMA Industrial Default Service kWhs	38,816,600	38,362,182	42,262,014	119,440,796

Section 3: Weighted Average SEMA Industrial Default Service Charge for November 2003 - January 2004

(7)	Projected SEMA Industrial Default Service kWhs	38,816,600	38,362,182	42,262,014	119,440,796
(8a)	SEMA Industrial Default Service Price per kWh (including RSP Compliance)	\$0.05311	\$0.05600	\$0.06090	
(8b)	Estimated Price per kWh of RPS Compliance	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	
(8c)	Total Estimated SEMA Industrial Default Service Price per kWh	\$0.05311	\$0.05600	\$0.06090	
(9)	Projected SEMA Industrial Default Service Cost, November 2003 - January 2004	\$2,061,550	\$2,148,282	\$2,573,757	<u>\$6,783,588</u>
(10)	Weighted Average SEMA Industrial Default Service Charge, Fixed Price Option, for November 2003 - January 2004				\$0.05679
(11)	Currently Effective SEMA Industrial Default Service Charge, Fixed Price Option				\$0.07729
(12)	Proposed Decrease to SEMA Industrial Default Service Charge, Fixed Price Option				(\$0.02050)

-
- (1) Per Company billing records based upon Load Zone designation for each customer account
(2) August 2003 DOER Form 110, sum of Mass. Electric and Nantucket Electric (Rates G-2 and G-3)
(3) Line (1) ÷ Line (2)
(4) Per Company forecast
(5) Line (3)
(6) Line (4) x Line (5)
(7) Line (6)
(8a) Attachment 1, Industrial
(8b) Price for RPS compliance included in Line (8a); price for 2 blocks not supplied by supplier assumed as same price as price for 13 blocks being supplied by supplier.
(8c) Line (8a) + Line (8b)
(9) Line (7) x Line (8c)
(10) Line (9) total ÷ Line (7) total, truncated after 5 decimal places
(11) Per Company tariff
(12) Line (10) - Line (11)

Massachusetts Electric Company
Nantucket Electric Company
WCMA Industrial Fixed Default Service Charge
(Rates G-2 and G-3)
Based on Weighted Average Effective Default Service Prices
November 2003 - January 2004

Section 1: Percentage of Industrial kWhs Attributable to Default Service in WCMA

(1)	August 2003 Industrial Default Service kWhs in the WCMA Zone	63,189,009
(2)	August 2003 Total Industrial kWhs	985,924,266
(3)	Percentage of WCMA Industrial Default Service kWhs to Total Industrial kWhs	6.41%

Section 2: Projected WCMA Industrial Default Service kWhs, November 2003 - January 2004

		2003 <u>November</u> (a)	<u>December</u> (b)	2004 <u>January</u> (c)	<u>Total</u> (g)
(4)	Projected Total Company Industrial kWhs	938,630,739	927,642,380	1,021,944,861	2,888,217,980
(5)	Percentage of WCMA Industrial Default Service kWhs to Total Industrial kWhs	<u>6.41%</u>	<u>6.41%</u>	<u>6.41%</u>	
(6)	Projected WCMA Industrial Default Service kWhs	60,157,913	59,453,657	65,497,610	185,109,180

Section 3: Weighted Average WCMA Industrial Default Service Charge for November 2003 - January 2004

(7)	Projected WCMA Industrial Default Service kWhs	60,157,913	59,453,657	65,497,610	185,109,180
(8a)	WCMA Industrial Default Service Price per kWh (including RSP Compliance)	\$0.05312	\$0.05606	\$0.06084	
(8b)	Estimated Price per kWh of RPS Compliance	<u>\$0.00000</u>	<u>\$0.00000</u>	<u>\$0.00000</u>	
(8c)	Total Estimated WCMA Industrial Default Service Price per kWh	\$0.05312	\$0.05606	\$0.06084	
(9)	Projected WCMA Industrial Default Service Cost, November 2003 - January 2004	\$3,195,588	\$3,332,972	\$3,984,875	<u>\$10,513,435</u>
(10)	Weighted Average WCMA Industrial Default Service Charge, Fixed Price Option, for November 2003 - January 2004				\$0.05679
(11)	Currently Effective WCMA Industrial Default Service Charge, Fixed Price Option				\$0.07375
(12)	Proposed Decrease to WCMA Industrial Default Service Charge, Fixed Price Option				(\$0.01696)

-
- (1) Per Company billing records based upon Load Zone designation for each customer account
(2) August 2003 DOER Form 110, sum of Mass. Electric and Nantucket Electric (Rates G-2 and G-3)
(3) Line (1) ÷ Line (2)
(4) Per Company forecast
(5) Line (3)
(6) Line (4) x Line (5)
(7) Line (6)
(8a) Attachment 1, Industrial
(8b) Price for RPS compliance included in Line (8a); price for 2 blocks not supplied by supplier assumed as same price as price for 13 blocks being supplied by supplier.
(8c) Line (8a) + Line (8b)
(9) Line (7) x Line (8c)
(10) Line (9) total ÷ Line (7) total, truncated after 5 decimal places
(11) Per Company tariff
(12) Line (10) - Line (11)

**Massachusetts Electric Company
Nantucket Electric Company**
Calculation of Monthly Weighted Average Default Service Prices
Residential Class
(Rates R-1, R-2, R-4 and E)
November 2003 - April 2004

Section 1: Percentage of Residential kWhs Attributable to Default Service in Each Zone

		<u>kWhs</u>	<u>Percent</u>
(1)	August 2003 Residential Default Service kWhs	202,474,924	
(2)	August 2003 NEMA Residential Default Service kWhs	53,240,866	26.30%
(3)	August 2003 SEMA Residential Default Service kWhs	68,535,766	33.85%
(4)	August 2003 WCMA Residential Default Service kWhs	80,698,292	39.86%

Section 2: Calculation of Monthly Weighted Average Default Service Prices

		2003 <u>November</u> (a)	<u>December</u> (b)	2004 <u>January</u> (c)	<u>February</u> (d)	<u>March</u> (e)	<u>April</u> (f)
(5)	Monthly NEMA Price	\$0.05652	\$0.06015	\$0.06501	\$0.06330	\$0.05668	\$0.05236
(6)	NEMA Percentage	26.30%	26.30%	26.30%	26.30%	26.30%	26.30%
(7)	Monthly SEMA Price	\$0.05274	\$0.05564	\$0.06026	\$0.05897	\$0.05311	\$0.04930
(8)	SEMA Percentage	33.85%	33.85%	33.85%	33.85%	33.85%	33.85%
(9)	Monthly WCMA Price	\$0.05410	\$0.05750	\$0.06251	\$0.06083	\$0.05411	\$0.04972
(10)	WCMA Percentage	39.86%	39.86%	39.86%	39.86%	39.86%	39.86%
(11)	Weighted Average Default Service Price	\$0.05428	\$0.05757	\$0.06241	\$0.06085	\$0.05445	\$0.05027

- (1) Page 2, Line (1)
- (2) Per Company billing records based upon Load Zone designation for each customer account
- (3) Per Company billing records based upon Load Zone designation for each customer account
- (4) Per Company billing records based upon Load Zone designation for each customer account
- (5) Attachment 1, Residential
- (6) Line (2)
- (7) Attachment 1, Residential
- (8) Line (3)
- (9) Attachment 1, Residential
- (10) Line (4)
- (11) Line (5) x Line (6) + Line (7) x Line (8) + Line (9) x Line (10), rounded after 5 decimal places

Massachusetts Electric Company
Nantucket Electric Company
Calculation of Monthly Weighted Average Default Service Prices
Commercial Class
(Rates G-1 and Streetlights)
November 2003 - April 2004

Section 1: Percentage of Commercial kWhs Attributable to Default Service in Each Zone

		<u>kWhs</u>	<u>Percent</u>
(1)	August 2003 Commercial Default Service kWhs	69,037,080	
(2)	August 2003 NEMA Commercial Default Service kWhs	18,930,385	27.42%
(3)	August 2003 SEMA Commercial Default Service kWhs	20,742,753	30.05%
(4)	August 2003 WCMA Commercial Default Service kWhs	29,363,942	42.53%

Section 2: Calculation of Monthly Weighted Average Default Service Prices

		<u>2003</u>		<u>2004</u>			
		<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>
		(a)	(b)	(c)	(d)	(e)	(f)
(5)	Monthly NEMA Price	\$0.05637	\$0.05916	\$0.06561	\$0.06411	\$0.05820	\$0.05379
(6)	NEMA Percentage	27.42%	27.42%	27.42%	27.42%	27.42%	27.42%
(7)	Monthly SEMA Price	\$0.05280	\$0.05582	\$0.06093	\$0.05969	\$0.05341	\$0.04933
(8)	SEMA Percentage	30.05%	30.05%	30.05%	30.05%	30.05%	30.05%
(9)	Monthly WCMA Price	\$0.05422	\$0.05731	\$0.06237	\$0.06115	\$0.05494	\$0.05088
(10)	WCMA Percentage	42.53%	42.53%	42.53%	42.53%	42.53%	42.53%
(11)	Weighted Average Default Service Price	\$0.05438	\$0.05737	\$0.06283	\$0.06152	\$0.05537	\$0.05121

- (1) Page 3, Line (1)
(2) Per Company billing records based upon Load Zone designation for each customer account
(3) Per Company billing records based upon Load Zone designation for each customer account
(4) Per Company billing records based upon Load Zone designation for each customer account
(5) Attachment 1, Commercial
(6) Line (2)
(7) Attachment 1, Commercial
(8) Line (3)
(9) Attachment 1, Commercial
(10) Line (4)
(11) Line (5) x Line (6) + Line (7) x Line (8) + Line (9) x Line (10), rounded after 5 decimal places

MASSACHUSETTS ELECTRIC COMPANY
NANTUCKET ELECTRIC COMPANY
Docket D.T.E. 99-60

ATTACHMENT 3

MASSACHUSETTS ELECTRIC COMPANY
NANTUCKET ELECTRIC COMPANY

SUPPLEMENT TO TARIFF FOR DEFAULT SERVICE

FOR THE PERIOD NOVEMBER 2003 THROUGH APRIL 2004

In accordance with the terms of the Tariff for Default Service, the rates for Default Service for customers receiving such service from the Company, are as follows. All rates will be applied as a uniform ¢ per kWh charge, for usage on and after the first day of each calendar month.

	Rate Tariff					
	R-1, R-2	G-1	G-2, G-3			S-1, S-2
	<u>R-4, E</u>		<u>SEMA</u>	<u>WCMA</u>	<u>NEMA</u>	<u>S-3, S-5, S-20</u>
Fixed Price Option:	5.702¢	5.732¢	5.679¢	5.679¢	6.008¢	5.732¢
Variable Price Option:						
November 2003	5.428¢	5.438¢	5.311¢	5.312¢	5.642¢	5.438¢
December 2003	5.757¢	5.737¢	5.600¢	5.606¢	5.944¢	5.737¢
January 2004	6.241¢	6.283¢	6.090¢	6.084¢	6.405¢	6.283¢
February 2004	6.085¢	6.152¢	n/a	n/a	n/a	6.152¢
March 2004	5.445¢	5.537¢	n/a	n/a	n/a	5.537¢
April 2004	5.027¢	5.121¢	n/a	n/a	n/a	5.121¢

The Fixed Price Option for Residential and Commercial customer groups (R-1, R-2, R-4, E, G-1, S-1, S-2, S-3, S-5, S-20) is effective for the period November 1, 2003 through April 30, 2004. The Fixed Price Option for the Industrial customer group (G-2, G-3) is effective for the period November 1, 2003 through January 31, 2004.

Effective: November 1, 2003